

CONFIDENTIAL

EXCISE

P24

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INQUIRE=DOC20D
ITEM NO=00519456
ENVELOPE

CDSN = LGX035 MCN = 93027/21695 TOR = 930271434
RTTCZYUW RUEKJCS9969 0271433-CCCC--RUEALGX.
ZNY CCCCC

HEADER

R 271433Z JAN 93
FM DIA WASHINGTON DC
INFO RUEAHQA/CSAF WASHINGTON DC
RUEQACC/CDRPSYOPGP FT BRAGG NC//AORC-POG-SB//
RUCJACC/USCINCCENT MACDILL AFB FL//CARA//
RULKQAN/MARCORINTCEN QUANTICO VA
RUEALGX/SAFE

R 271202Z JAN 93
FM AMCONSUL JEDDAH
TO RUEHC/SECSTATE WASHDC 1821
RUEHMO/AMEMBASSY MOSCOW 0043
RUFHSN/AMEMBASSY SANAA 6278
RUEHBM/AMEMBASSY BUCHAREST 0053
RUFHVL/AMEMBASSY VALLETTA 0038
RUEHRH/AMEMBASSY RIYADH 6482
RUEHDH/AMCONSUL DHAHRAN 1852
BT

CONTROLS

C O N F I D E N T I A L JEDDAH 00108

DEPARTMENT OF STATE

() RELEASE (X) DECLASSIFY
(X) EXCISE () DECLASSIFY
() DENY IN PART
() DELETE Non-Responsive Info
FOIA Exemptions B4, B6
Exemptions

IS/FPC/CDR DRP Date 9/8/
MR Cases Only:
EO Citations
TS autho
() CLASSIFY as () S or () C
() DOWNGRADE TS to () S or () C

E.O. 12356: DECL: OADR

BODY

TAGS: EPET, EFIN, SA, RS, RO, MT, YM
SUBJECT: NIMIR OIL UPDATE

1. (C - ENTIRE TEXT).

2. THE JEDDAH-BASED NIMIR OIL COMPANY IS SAUDI ARABIA'S FIRST PRIVATELY-OWNED PETROLEUM PRODUCING COMPANY. ITS PRINCIPAL SHAREHOLDER IS KHALID BIN MAHFOUZ, WHOSE FAMILY OWNS SAUDI ARABIA'S LARGEST BANK, THE NATIONAL COMMERCIAL BANK. MAHFOUZ RECENTLY RESIGNED AS CEO OF THE BANK FOLLOWING HIS INDICTMENTS IN THE U.S. ON VARIOUS BCCI-RELATED CHARGES. NIMIR HAS NO CONCESSION TO PRODUCE OIL IN SAUDI ARABIA, BUT IS CONTINUING TO EXPAND OPERATIONS OVERSEAS.

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5.

B4

6. [] SAID THAT WHILE HE BELIEVED THERE WERE GOOD OPPORTUNITIES AVAILABLE IN THE U.S., THE BCCI-RELATED PROBLEMS FACED BY KHALID BIN MAHFOUZ WITH THE FEDERAL RESERVE, JUSTICE DEPARTMENT AND STATE OF NEW YORK HAD PRECLUDED ANY AMERICAN INVESTMENTS FOR THE TIME BEING AS NIMIR REMAINS FEARFUL THAT U.S. ASSETS COULD BE SEIZED.

B6

7. [] MOTIONAL IN DESCRIBING HOW "UNFAIRLY" BIN MAHFOUZ WAS BEING TREATED BY THE U.S. LEGAL SYSTEM. HE SAID THAT THIS EPISODE WOULD EFFECT THE WILLINGNESS OF PROMINENT JEDDAH BUSINESSMEN [] TO INVEST IN THE U.S. HE ALSO NOTED THAT THE FRENCH AND JAPANESE HAVE BEEN TELLING JEDDAH BUSINESSMEN THAT THIS INCIDENT INDICATES THE DANGERS OF INVESTING IN AMERICA. HE SPECIFICALLY MENTIONED THE FRENCH OIL COMPANY ELF AQUITAINE IN THIS REQUEST. COMMENT: WE HAVE SEEN LITTLE EVIDENCE THAT TH LEGAL PROBLEMS OF KHALID BIN MAHFOUZ AND HIS NATIONAL COMMERCIAL BANK HAVE DISCOURAGED JEDDAH INVESTORS FROM LOOKING FOR OPPORTUNITIES IN THE U.S. []

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END COMMENT. ANGULO

ADMIN

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